

# Canada's Clean Fuel Standard is not a tax, it's a proven way to transition to cleaner fuels

*The Clean Fuel Standard is a solid foundation on which to build a prosperous economy and position Canada to compete in a low-carbon future.*



**Advanced Biofuels Canada**  
*Biocarburants avancés Canada*

VANCOUVER, BRITISH COLUMBIA, CANADA, September 18, 2020 /EINPresswire.com/ -- Advanced Biofuels Canada released a statement today by Ian Thomson, President.

“Canadians deserve accurate information regarding the most important federal climate initiative in a decade – the Clean Fuel Standard (CFS). Here are four things they should know.



Claims that the CFS poses a danger to our economy could not be further from the truth; indeed, doubling down on inaction will imperil our future prosperity and steer away much-needed global capital..”

*Ian Thomson , ABFC President*

One, the CFS is not a tax. Years ago, it became evident that lead, sulphur, benzene and other pollutants in motor fuels were toxic to human health and the environment. No one ever called the regulations to reduce or eliminate these pollutants a ‘tax’, despite the multi-billion dollar cost for each to upgrade our petroleum refineries. Greenhouse gases (GHG) are the most recent pollutants on the Canadian Environmental Protection Act's List of Toxic Substances that refiners are obligated to reduce.

Two, there is a real and hidden tax in fuels, but not from a clean fuel standard. When the carbon in products sold by fossil fuel companies pollutes the air at no cost to them, it leaves Canadian taxpayers and businesses to pick up the tab for those fuels' ever-growing climate change costs. A timely example: the suppression costs alone from climate-change fueled wildfires across Canada has ranged from \$500 million to \$1 billion per year over the last decade. Additional costs to households and businesses are in the billions.

Three, claims regarding the cost of the CFS to Canadians and our economy cite poorly conducted research based on incorrect assumptions, and a flawed understanding of how market-based regulations work. Critics of the CFS are following a familiar pattern of overstating costs; this issue has well been documented in a 2018 [policy brief](#) by Smart Prosperity. Even more relevant, the

most comprehensive Canadian study on fuel costs ([BC Utility Commission, 2019](#)) attached a 4 cent per litre 'maximum cost' to the British Columbia clean fuel standard at its eight year mark, which is a fraction of the cost claimed by CFS critics. That same BCUC study concluded that the cost to consumers of the petroleum industry monopoly over fuel supply is a minimum of 13 cents per litre on gasoline, or \$500 million every year. Clean fuels have an important role to play in creating more competition at the pump. The supply of low carbon transport options (e.g. biofuels, electricity, hydrogen, renewable natural gas) will increasingly drive down costs of eliminating carbon pollution and can reduce consumer energy costs over time.

Lastly, if not a standard to reduce 25% of Canada's climate emissions gradually over decades, then what, and when? This week, [Climate Action 100+](#), the \$47 trillion pool of most of the world's largest investment funds, announced that it will be assessing future investments in the top 161 global corporate GHG emitters on the basis of concrete actions to meet 2050 net zero emissions, including those from the products they sell. Canadian oil and gas companies – the same firms regulated by the CFS – are on the list. Coupled with BP's announcement the same day, that oil demand is likely to have peaked in 2019, this represents a grave risk to a Canadian economy that is over-reliant on fossil fuel production. The claim that the CFS poses a danger to our economy could not be further from the truth; indeed, doubling down on inaction and reliance on high-carbon emitting fossil fuels will imperil our future prosperity and steer much-needed global investment away from Canada while other countries future-proof their economies and job creation.

Canada is at a fork in the road. Heeding the fossil fuel industry's calls for CFS abandonment would set Canada back a decade in the global race for a low-carbon, clean growth economy. Our organization alone has identified \$2.4 billion of capital investment in Canadian advanced biofuel projects by 2023, and \$15 billion by 2030. The competition to attract these projects is intense; lacking clear demand and market access from a well-designed CFS, these projects will build elsewhere. Built in Canada, new projects will have long-lasting benefits for Canada's agriculture and forestry sectors, improve urban airsheds and human health, provide value-added solutions for waste, and be an innovation engine to create clean-tech economic activity across Canada. Canada is strongly positioned to compete in a low-carbon future, and the Clean Fuel Standard is a solid foundation on which to build a prosperous future."

Advanced Biofuels Canada/ Biocarburants avancés Canada is the national voice for producers, distributors, and technology developers of advanced biofuels and synthetic fuels. Our members are global leaders in commercial production of advanced biofuels, with over 14 billion litres of installed annual capacity worldwide. Our members include Canada's leading advanced biofuels producers and technology innovators and are actively developing new clean liquid fuels production and distribution assets and operations in Canada. For information on Advanced Biofuels Canada and our members, visit: [www.advancedbiofuels.ca](http://www.advancedbiofuels.ca).

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